



BULLETIN B 02-05

TO: ALASKA DOMESTIC INSURANCE COMPANIES AND OTHER INTERESTED PARTIES

RE: RESTRICTIONS ON NUMBER OF CONSECUTIVE YEARS AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT MAY RENDER AN ANNUAL AUDITED FINANCIAL REPORT OF AN INSURANCE COMPANY OR ITS INSURANCE SUBSIDIARIES OR AFFILIATES

The Annual Statement Instructions for property and casualty insurers and also for health insurers issued by the National Association of Insurance Commissioners (P/C 2001, page 43; H 2001, page 11), with respect to the qualifications of independent certified public accountants, states in part:

No partner or other person responsible for rendering a report may act in that capacity for more than seven (7) consecutive years. Following any period of service, such person shall be disqualified from acting in that or a similar capacity for the same company or its insurance subsidiaries or affiliates for a period of two (2) years. An insurer may make application to the domiciliary Commissioner for relief from the above rotation requirement on the basis of unusual circumstances. The domiciliary Commissioner may consider the following factors in determining if the relief should be granted: (1) number of partners, expertise of the partners or the number of insurance clients in the currently registered firm; (2) premium volume of the insurer; or (3) number of jurisdictions in which the insurer transacts business.

Under AS 21.09.200, the Division of Insurance requires insurers to use the above-referenced instructions. The restriction in the NAIC Annual Statement Instructions regarding the consecutive number of years an independent certified public accountant may render an audited financial report to the Division of Insurance is effective for years beginning after December 31, 1992.

Please contact the Financial Examination Section at (907) 269-7900 if you have any

questions about this bulletin.

Dated this 13th day of March 2002, at Anchorage, Alaska.

A handwritten signature in black ink, appearing to read "Robert A. Lohr". The signature is written in a cursive style with a prominent initial "R".

Robert A. Lohr
Director